Navigating the Federal Grant Lifecycle

A Guide for Maryland Municipalities

Introduction

In June 2021, the Maryland Department of Budget and Management (DBM) launched a Technical Assistance Program to support Non-Entitlement Units (NEUs) of Local Government with their management and administration of their Coronavirus Local Fiscal Recovery Funds (CLFRF) awards. In October 2022, DBM alerted participating municipalities that the Technical Assistance Program would expand to serve all Maryland municipalities and assist them with the Infrastructure Investment and Jobs Act, in addition to maintaining CLFRF support.

An unprecedented amount of federal funds is currently available to support the response and recovery from COVID-19 as well as investing in critical infrastructure to build more resilient and equitable communities and economies. The federal grant lifecycle is complex and can be challenging to navigate for first-time federal grant recipients. **To assist municipalities in approaching federal programs, this document summarizes the three stages of the federal grant lifecycle while clarifying the roles of funding agencies and applicants throughout[i].**

What is a Federal Grant?

A grant is one of many forms of financial assistance provided by federal government agencies to support an array of programmatic or financial objectives. Funding is often available as competitive (discretionary) or non-competitive (formula) grants and are subject to the federal grant lifecycle:

Formula Grants: Formula grants distribute funds to every recipient in a group (such as all 50 states) to accomplish the same purpose. They are **not competitive** because the funding amount for each recipient is calculated based on pre-determined parameters.

Discretionary Grants: Discretionary grants are grants that are awarded to eligible applicants through a **competitive** selection process. Eligible applicants vary by program but may include state, tribal, and **local governments**, transit providers, universities, research institutions, law enforcement agencies, nonprofit organizations, and others[ii].

Types of Grants: Examples

CLFRF: Formula Grant

CLFRF funds are an example of a formula grant. The American Rescue Plan Act (ARPA) provides direct assistance to local jurisdictions through CLFRF funds. Non-Entitlement Units of Government (NEUs), typically municipalities with fewer than 50,000 residents, received their ARPA funding directly from the U.S. Treasury through the assistance of State governments.

RAISE: Discretionary Grant

The U.S. Department of Transportation announced a $1.5 billion RAISE (Rebuilding American Infrastructure with Sustainability and Equity) grant program for 2024. Consideration for funding requires the completion of a competitive application process, described in the 2024 RAISE NOFO.

The Grant Lifecycle

Pre-Award (3-4 months)[iii]

The pre-award phase marks the start for potential recipients of federal funding. This phase involves several key stages. The following information summarizes each stage of the pre-award process while clarifying elements for potential funding recipients:

Elements of Pre-Award Phase	Description
Registration	Potential applicants are advised to register with Grants.gov as early as possible. Generally, funding opportunities also require applicants to register with SAM.gov to be eligible to receive funds, as is the case for CLFRF.
Planning	The federal funding agency plans and develops a funding program. Once complete, the funding agency will publish details of the funding opportunity on Grants.gov. To prepare for funding opportunity search and eventual application pursuit, local governments should focus on developing a list priorities and unmet needs. This includes a thorough review of: • Capital Planning Documents • Strategic Plans • Planning and Zoning Documents • COVID-19 Recovery Plans • Specialized Planning Documents and Reports (e.g. Housing, Economic Development, Digital Equity)
Opportunity Search	When identifying potential funding opportunities, applicants should carefully review Notice of Funding Announcements (NOFAs) to assess their eligibility, capability, and interest. Applicants can identify potential funding sources by searching Grants.gov or searching for available grant funding on specific agency websites. Some examples of resources include: • Build.gov Open and Upcoming Infrastructure Funding Opportunities • EPA Funding Announcements from the Bipartisan Infrastructure Law and the Inflation Reduction Act • DOT's Calendar of Funding Opportunities

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	• NGA's IIJA Formula and Competitive Grant Program Tracker • Local Infrastructure Hub's Grant Search Tool The MTAP team is providing a **Fund Mapping Service** to match IIJA funding streams with municipalities' interests. Municipalities can submit information through the Project Intake Form on infrastructure projects or priorities and receive tailored information on relevant IIJA programs.
Opportunity Assessment	After an opportunity is identified, potential applicants should assess the opportunity and determine if they will be competitive for it. • One critical component to grant coordination involves confirming **internal capacities** to apply for and administer grant funding. • Review capacity for fund matching requirements. • Applicants should review past award history in opportunities of interest to better understand how competitive they are. As mentioned above, the MTAP team's Fund Mapping Service can be a helpful tool towards opportunity assessment.
Grant Writing and Application Development	Completing a grant application is a process that can span weeks or months. While dependent on the scope or size of the project, minimum application requirements often include: • Organizational information • Project description • Project budget • Project timeline • Documentation reflecting status as an eligible recipient. Be sure to check agency websites for the most up to date information regarding technical assistance opportunities and points of contact. To support applicants during the application process, many funding agencies offer technical assistance resources, including but not limited to those below: • The DOT Navigator provides general information to develop grant applications and assistance on reviewing or completing frequently required documentation. • The DOE's State and Local Solution Center offers a searchable database of TA opportunities, and includes

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	programs, processes, and resources that provide targeted support to a community, region, or other grantees to help them access federal funding and build local implementation capacity. • [EPA's Water Infrastructure and Resiliency Finance Center](#) provides financing information to help local decision makers make informed decisions for drinking water, wastewater, and stormwater infrastructure to protect human health and the environment.
Application Review	As the funding agency reviews applications, various program stakeholders will participate. The [review process](#) takes time and varies based on grant type. The generally applicable steps are: • Initial screening to ensure application is complete • Programmatic review and assessment of the substance of the applications • Financial review of proposed budgets • Award decision and announcement Applicants can track the status of their application by communicating with the funding agency.

Award (1-5 months)[iv]

The award phase begins once the funding agency completes the application review process. The final award decisions rest solely in the hands of the funding agency and often go through multiple reviews before a determination is made. The table below summarizes each stage of the award phase.

Elements of Award Phase	Description
Award Notification	Once the final award decisions are made, the awarding agency sends a Notice of Award (NOA) to the entities selected for funding. The NOA is the official, legally binding issuance of the award.
Accepting Grant Funding	Once an organization accepts the grant (i.e., by signing the grant agreement or by drawing down funds) the organization is legally obligated to carry out the full terms and conditions of the grant.
Project Start	After an applicant receives a Notice of Award, they will commence their project. Award recipients are generally responsible for complying with all administrative, financial, and

	programmatic requirements associated with the federal award, as described further below.

Post-Award (1-5 years)[v]

Once funding is disbursed in the award phase and through eventual closeout of a federal grant, oversight is provided by a grants management officer at the funding agency that monitors an awardee's reporting compliance. This process spans the life of the grant award and involves reviewing reports submitted by the awardees. Representatives from the funding agency, in many cases, should perform on-site visits with the project director and implementation staff, which may also occur in the form of auditing.

The post-award phase comprises a significant amount of work over the duration of the grant, including implementation, reporting, and completing the closeout requirements. Funding agencies are typically available throughout this phase to ensure that awardees remain compliant with the grant terms and conditions. Additionally, funding agencies will also monitor recipients and often require recipients to complete reporting requirements. The table below summarizes the recipient's role throughout the award phase:

Elements of Post-Award Phase	Description
Best Practice: Grant Implementation Planning Organizations are encouraged to develop a Grants Management Implementation Plan to navigate the post-award process effectively. This strategic framework would provide a comprehensive guide for managing recipient monitoring, retaining documentation, conducting single audits, fulfilling reporting obligations, and executing closeout procedures. It is crucial for local governments to incorporate compliance requirements as outlined in the grant agreement, and to set metrics and key milestones to monitor progress. Doing so lays the groundwork for successful grant management and ensures that all project objectives are met in accordance with the stipulated requirements.	
Recipient Monitoring *Grantor Support and Oversight*	After an award has been disbursed, a grants management officer will often monitor an awardee's compliance with the terms and conditions of an award. Monitoring is usually carried out through on-site visits or auditing.
Single Audit	Organizations spending over $750,000 in federal funds annually must conduct a single audit for that year and submit the audit to the Federal Audit Clearinghouse within nine months after the end of the audit period, addressing any identified issues. The funding agency ensures compliance and responds to audit findings within six months of receiving the report. The non-

	federal entity also performs all follow-up and corrective action to the audit findings. Certain CLFRF recipients are provided with an option to have an Alternative Compliance Examination Engagement (ACEE) in lieu of a Single Audit or a Program-Specific Audit under 2 CFR Part 200, Subpart F. CLFRF recipients that expend $750,000 or more during the recipient's fiscal year in Federal awards, and which meet both criteria listed below have the option to undergo the ACEE: 1. The recipient's total CLFRF award received directly from Treasury or received (through states) as a non-entitlement unit of local government is at or below $10 million; and 2. Other Federal award funds the recipient expended (not including their CLFRF award funds) are less than $750,000 during the recipient's fiscal year.
Reporting	As described above, recipients must fulfill all financial and programmatic reporting requirements. These reports provide information about the overall financial status and program performance of the grant project. Financial Reporting: Includes detailed records of any expenses paid for with federal funds. Programmatic Reporting: Includes project data highlighting progress and/or community impact. While timelines vary, recipients may be required to submit reports on a quarterly, bi-annual, or yearly basis.
Compliance	To remain eligible for continued funding, the recipient is required to comply with the terms and conditions outlined in the grant agreement as well as requirements outlined in 2 CFR 200 (Uniform Guidance). Your compliance requirements will often include, but not be limited to: • Allowable and unallowable costs (2 CFR 200, Subpart E) • Program management (program-specific requirements) • Procurement requirements (2 CFR 200.316 – 327) • Subrecipient oversight and monitoring (2 CFR 200, 200.331-200.333) • Internal control (2 CFR 200.303)

	• Financial management (2 CFR 200.302) • Asset management (2 CFR 200, Subpart D, Property Standards)
Closeout	To close out an award, recipients are required to submit all final financial and programmatic reports to the funding agency. Once submitted, the funding agency will examine these reports to ensure compliance with all federal and programmatic requirements. The funding agency will follow up with the recipient to confirm satisfactory completion of the required grant work and applicable administrative tasks.

This document is designed to provide policy-related guidance, not individual application assistance. By referencing this document, the Municipality explicitly disclaims any responsibility of the State of Maryland or Hagerty Consulting with respect to the actions or decisions taken by the Municipality based on the information, recommendations, or analyses provided. Recipients of federal funds are responsible for administration and compliance of funding awarded. For assistance navigating federal and programmatic requirements related to your CLFRF or IIJA award or general questions on the grant lifecycle, you can submit a question through MTAP's Question Portal.

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[i] The Grant Lifecycle Overview, CDC, available here.
[ii] Federal Funding and Financing: Grants, available here.
[iii] The Pre-Award Phase, Grants.gov, available here.
[iv] The Award Phase, Grants.gov, available here.
[v] The Post-Award Phase, Grants.gov, available here.